



## CITY OF ALAMEDA • CALIFORNIA

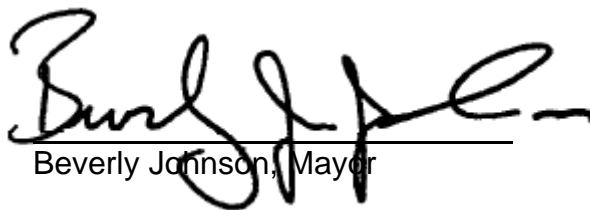
### SPECIAL MEETING OF THE CITY COUNCIL - **CANCELLED**

WEDNESDAY - - - MARCH 3, 2010 - - - 6:15 P.M.

Location: City Council Chambers Conference Room, City Hall, corner of Santa Clara Avenue and Oak Street

Agenda:

1. Roll Call – City Council
2. Public Comment on Agenda Items Only  
Anyone wishing to address the Council on agenda items only, may speak for a maximum of 3 minutes per item
3. Adjournment to Closed Session to consider:
- 3-A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54956.9  
Name of Cases: Alameda Gateway Ltd. v. City of Alameda
4. Announcement of Action Taken in Closed Session, if any
5. Adjournment – City Council



Beverly Johnson, Mayor

**Note: THIS MEETING WAS CANCELLED**



# CITY OF ALAMEDA • CALIFORNIA

## SPECIAL MEETING OF THE COMMUNITY IMPROVEMENT COMMISSION (CIC) WEDNESDAY - - - MARCH 3, 2010 - - - 7:01 P.M.

Location: City Council Chambers, City Hall, corner of Santa Clara Ave and Oak Street

### Public Participation

Anyone wishing to address the Commission on agenda items or business introduced by the Commission may speak for a maximum of 3 minutes per agenda item when the subject is before the Commission. Please file a speaker's slip with the Assistant City Clerk if you wish to speak.

### 1. ROLL CALL - CIC

### 2. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Council or a member of the public

2-A. Minutes of the Special Joint City Council, Alameda Reuse and Redevelopment Authority, and Community Improvement Commission Meetings of February 16, 2010. (City Clerk)

2-B. Recommendation to Authorize the Payment of \$4,431,444 in FY 2009-10 and \$912,356 in FY 2010-11 to the State of California; Adopt a Resolution Approving the Use of Business and Waterfront Improvement Project Low- and Moderate-Income Housing Funds for the Supplemental Educational Revenue Augmentation Fund Payment to the State of California For FY09-10 and FY10-11; Approve the Promissory Notes Between the Community Improvement Commission, Business and Waterfront Improvement Project Area Low- and Moderate-Income Housing Fund and the Community Improvement Commission Alameda Point Improvement Project Area Redevelopment Capital Projects Fund and the Community Improvement Commission, Business and Waterfront Improvement Project Area Redevelopment Capital Projects Fund Effectuating the Requisite Loans. (City Manager)

### 3. EXECUTIVE DIRECTOR COMMUNICATION

3-A. Civic Center Master Plan – Vision Concept

### 4. AGENDA ITEMS

None

### 5. ADJOURNMENT - CIC

  
Beverly Johnson, Chair

**UNAPPROVED**  
MINUTES OF THE SPECIAL JOINT CITY COUNCIL,  
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA) AND  
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING  
TUESDAY- -FEBRUARY 16, 2010- -7:01 P.M.

Mayor/Chair Johnson convened the meeting at 10:36 p.m.

ROLL CALL - Present: Councilmembers / Board Members / Commissioners deHaan, Gilmore, Matarrese, Tam and Mayor/Chair Johnson – 5.

Note: Councilmember/Board Member/Commissioner Tam arrived at 10: 38 p.m.

Absent: None.

CONSENT CALENDAR

Mayor/Chair Johnson announced that the Chamber of Commerce Contract Amendment [paragraph no. 10-06 CIC] would be continued to a future meeting. Councilmember/Board Member/Commissioner Matarrese moved approval of the remainder of the Consent Calendar.

Vice Mayor/Board Member/Commissioner deHaan seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember/Board Member/Commissioner Tam – 1.] [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(\*10-080 CC/ARRA/10-05 CIC) Minutes of the Special Joint City Council, ARRA and CIC Meetings Held on January 26, 2010. Approved.

(10-06 CIC) Recommendation to Authorize the Interim Executive Director to Amend Scope of Contract with the Alameda Chamber of Commerce for Fiscal Year 2009-2010. Continued to future meeting.

(\*10-081 CC/10-07 CIC) Recommendation to Approve an Amendment to the Grand Marina Village Affordable Housing Agreement and Authorize the Interim City Manager/Interim Executive Director to Execute the Amendment.

AGENDA ITEM

(10-082 CC/ARRA/10-08 CIC) Consider SunCal's Requests to: (1) Approve an Addendum

to the Exclusive Negotiation Agreement (ENA) between SunCal and Alameda Requesting Modification to Certain Terms Including Extending the Term of the ENA to July 20, 2012; and (2) Retract the Notice of Default Sent by Alameda regarding SunCal's Performance under the ENA.

The Interim City Manager/Interim Executive Director provided a brief presentation.

Vice Mayor/Board Member/Commissioner deHaan inquired what was outlined in the letter of retraction regarding the Notice of Default, to which the Interim City Manager/Interim Executive Director responded the letter includes that SunCal's intent is to pursue further discussions with the City; clarification will have to be obtained in a meeting scheduled with SunCal for Thursday.

Vice Mayor/Board Member/Commissioner deHaan inquired what is the date of said letter, to which the Deputy City Manager responded February 12.

In response to Vice Mayor/Board Member/Commissioner deHaan's further inquiry, the Interim City Manager/Interim Executive Director stated a January letter requested an ENA extension; once the Notice of Default was issued, a letter [e-mail] was sent asking the Mayor and City Council to override the administrative decision, which is under the Council's authority; said letter was sent last week [February 8]; then, a few days later, Friday afternoon [February 12], SunCal sent a second letter dealing with the Notice of Default stating that they [SunCal] were withdrawing their request to have Council override the Notice of Default subject to further discussions with the City.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the letters were sent within one week, to which the Interim City Manager/Interim Executive Director stated it was all within a short time.

In response to Vice Mayor/Board Member/Commissioner deHaan's inquiry about whether there has been any dialogue [with SunCal], the Interim City Manager/Interim Executive Director stated there will be an opportunity through ENA discussions this week and next week to get further clarification as to what SunCal meant.

Vice Mayor/Board Member/Commissioner deHaan inquired when was the original request for the two-year ENA extension, and whether the reporting out from the Closed Session was to defer the action.

The Interim City Manager/Interim Executive Director responded the report out from the Closed Session in late January was to consider the matter after the election.

Vice Mayor/Board Member/Commissioner deHaan inquired when the 30 days under the Notice of Default would be due, the City Attorney responded March 8.

Speakers: Jim Pitzer; Mary Fetherolf, Alameda; William Smith, Alameda; Ashley Jones, Alameda; Rosemary McNally, Alameda; Jean Sweeney, Alameda; Jim Sweeney, Alameda; Jim Sweeney, Alameda; Gretchen Lipow, Alameda; and Dorothy Freeman.

Councilmember/Board Member/Commissioner Matarrese stated the City has a Contract with SunCal; that he would like to see if it is appropriate to repeat the request that was made a month or so ago, which is to request that SunCal lift the restrictions on confidentiality that exist in the current ENA; regardless of the outcome, the process would be more visible and staff would be able to communicate with the Council / Board / Commission and the electorate; the confidentiality cloak has not served the City well and he is not sure if it has served SunCal well; the request should be reiterated to SunCal.

Vice Mayor/Board Member/Commissioner deHaan inquired whether Councilmember/Board Member/Commissioner Matarrese is requesting an action item at the next ARRA meeting.

Councilmember/Board Member/Commissioner Matarrese responded that he is requesting that the Interim City Manager/Interim Executive Director be directed to make the request to SunCal to release the confidentiality restriction; moved approval [of directing the Interim City Manager/Interim Executive Director to request SunCal to release the confidentiality restriction].

Mayor/Chair Johnson stated SunCal wrote a letter indicating that they support a more transparent process.

Vice Mayor/Board Member/Commissioner deHaan seconded the motion.

Under discussion, Councilmember/Board Member/Commissioner Tam inquired whether an action is being taken or if the matter is being addressed as a Council/Board/Commission Communication.

Councilmember/Board Member/Commissioner Matarrese responded the matter is under the agenda item in response to the request.

The City Attorney/Legal Counsel stated SunCal was requesting approving an addendum to the ENA, including specifics about what the addendum should look like; given that the action item was to discuss that [ENA amendment], the Council/Board/Commission can make a motion and ask the Interim City Manager/Interim Executive Director to have a discussion with SunCal regarding amending the ENA in a different way; the suggestion [releasing confidentiality restrictions] would require an amendment to the ENA; the City cannot unilaterally choose to make SunCal's documents open to the public; SunCal would have to agree to do so, which would be done by amending the ENA.

Vice Mayor/Board Member/Commissioner deHaan stated a similar request was made six months ago; inquired whether the matter is part of the public record.

The City Attorney/Legal Counsel responded that she would have to check the record; the Council/Board/Commission would have to make a motion to discuss the matter if it was addressed in closed session.

Councilmember/Board Member/Commissioner Gilmore stated SunCal would have to agree to an ENA amendment to be more transparent; inquired whether SunCal's letter from last October would not have been sufficient and an ENA amendment would have been required.

The City Attorney/Legal Counsel stated that she believes the letter proposed choosing item by item what would become public record, which is not the same as lifting the confidentiality provision altogether.

Councilmember/Board Member/Commissioner Gilmore inquired what lifting confidentiality would look like; questioned whether negotiations between staff and SunCal would be done in public.

The City Attorney/Legal Counsel responded the confidentiality provision in the ENA has to do with the documents; stated assuming SunCal agrees, the documents would become public record and it would be appropriate to talk about what is in the documents.

Councilmember/Board Member/Commissioner Matarrese inquired whether documents are the pro forma, business plan, etc., to which the City Attorney/Legal Counsel responded in the affirmative.

Vice Mayor/Board Member/Commissioner deHaan stated the reason it [lifting confidentiality restrictions] is so important is the City could not divulge what was in the \$200 million cap.

Councilmember/Board Member/Commissioner Tam stated that she is still confused--the agenda item is to consider requests for ENA extension and retraction of the Notice of Default; SunCal has withdrawn both requests; inquired if there is a way to take action aside from what was noticed on the agenda.

The City Attorney/Legal Counsel stated the action is relying on what was noticed; the Council/Board/Commission always has authority to approve, deny or ask to do it differently; the Council/Board/Commission can request that SunCal consider a different amendment to the ENA, such as releasing negotiation documents.

Mayor/Chair Johnson stated SunCal letters discussed withdrawing agenda items; SunCal does not withdraw agenda items; SunCal can just withdraw their requests; the agenda

items stay in place.

Councilmember/Board Member/Commissioner Matarrese stated SunCal's letter indicates that they want to formally address the Notice of Default in formal discussions.

Councilmember/Board Member/Commissioner Tam stated that she would be more comfortable if SunCal was given the same courtesy that they gave the City in terms of asking specifically what the Council/Board/Commission would like to see as an amendment to the ENA.

Councilmember/Board Member/Commissioner Matarrese stated that his motion is to direct the Interim City Manager/Interim Executive Director to ask just that [about a specific ENA amendment to lift confidentiality restrictions].

Vice Mayor/Board Member/Commissioner deHaan stated certain things will never come out of closed session; however, the vast majority should be released and discussed.

On the call for the question, the motion carried by unanimous voice vote – 5.

#### ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the meeting at 11:09 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk  
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

## CITY OF ALAMEDA

### Memorandum

To: Honorable Mayor and  
Members of the City Council

Honorable Chair and  
Members of the Community Improvement Commission

From: Ann Marie Gallant  
Interim City Manager/Interim Executive Director

Date: March 3, 2010

Re: Authorize the Payment of \$4,431,444 in FY09-10 and \$912,356 in FY 10-11 to the State of California; Adopt a Resolution Approving the Use of Business and Waterfront Improvement Project Low- and Moderate-Income Housing Funds for the Supplemental Educational Revenue Augmentation Fund Payment to the State of California For FY09-10 and FY10-11; Approve the Promissory Notes Between the Community Improvement Commission, Business and Waterfront Improvement Project Area Low- and Moderate-Income Housing Fund and the Community Improvement Commission Alameda Point Improvement Project Area Redevelopment Capital Projects Fund and the Community Improvement Commission, Business and Waterfront Improvement Project Area Redevelopment Capital Projects Fund Effectuating the Requisite Loans

### BACKGROUND

The FY10-11 budget for the State of California, which was approved by the Legislature and signed by the Governor in July 2009, included legislation (ABX4-26) authorizing a \$2.06 billion "takeaway" of funds from redevelopment agencies statewide. On November 12, 2009, the Governor signed SB 68 into law. This bill modified ABX4-26 to allow agencies to use accumulated balances in low- and moderate-income housing funds (LMIHF), not just current year set-aside amounts, to make the Supplemental Educational Revenue Augmentation Funds (SERAF) payments, if necessary.

### DISCUSSION

Since 1992, the State of California has drained more than \$40 billion of local property taxes from cities, counties, and special districts in an effort to balance its own budget. According to the League of California Cities, the State took \$52,434,482 from the City of Alameda between 1991 and June 30, 2008. Even in years of budget surpluses, the State has used funds from agencies to finance its constitutional funding obligation to public education, thereby allowing it to increase State general fund spending for other State programs at the expense of vital local services.

**CIC**  
**Agenda Item #2-B**  
**3-3-10**



Honorable Chair and  
Members of the Community Improvement Commission

In passing its FY09-10 budget, the State declared a fiscal emergency and took \$1.9 billion in local government property taxes, including approximately \$2.3 million from the City of Alameda. The City participated in a State-financed securitization program for these funds and was essentially made whole by the program, absent a minor cash flow delay. No such securitization program is available for the City's redevelopment funds. As a result, the Community Improvement Commission (CIC) is required to transmit \$4,431,444 in FY09-10 and \$912,356 in FY10-11 to the State to assist in reducing the State's operational deficit.

The FY09-10 payment is allocated among the City's three redevelopment project areas based upon a State established formula:

- \$486,723 from the Alameda Point Improvement Project (APIP)
- \$1,905,531 from the Business and Waterfront Improvement Project (BWIP)
- \$2,039,190 from the West End Community Improvement Project (WECIP)

For FY10-11, the payment is allocated as follows:

- \$100,207 from APIP
- \$392,315 from BWIP
- \$419,834 from WECIP

At the January 26, 2010 Special Joint Meeting of the City Council, CIC, and Alameda Reuse and Redevelopment Authority, the Interim Executive Director of the CIC presented a proposed two-year SERAF payment plan that included borrowing BWIP LMIHF funds. This borrowing is required because some of the project areas do not have sufficient 80% redevelopment funds to meet the SERAF obligations. As a result, the Interim Executive Director's proposal includes the use (borrowing) of \$808,781 from BWIP LMIHF for the payments due in FY09-10 and FY10-11 (Exhibit 1). These funds will be repaid, with interest, at a rate of 6% by June 30, 2015.

#### FINANCIAL IMPACT

The funds for this payment are outlined in Exhibit 1, detailed by project area. The authorized loans will accrue interest at a rate of 6%. Monthly interest payments will be made to the BWIP LMIHF and will continue until such time as the loans are repaid in full, but no later than June 30, 2015. The LMIHF will earn interest income on the loans in the approximate amount of \$48,521 annually. If the loans are repaid by June 30, 2015, the LMIHF will earn a total of \$303,256 in interest, with APIP paying \$208,300 and BWIP paying \$94,956.

Honorable Chair and  
Members of the Community Improvement Commission

RECOMMENDATION

Authorize the payment of \$4,431,444 in FY09-10 and \$912,356 in FY 10-11 to the State of California; adopt a Resolution approving the use of Business and Waterfront Improvement Project Low- and Moderate-Income Housing funds for the Supplemental Educational Revenue Augmentation Fund payment to the State of California for FY09-10 and FY10-11; approve the Promissory Notes between the Community Improvement Commission, Business and Waterfront Improvement Project Area Low- and Moderate-Income Housing Fund and the Community Improvement Commission Alameda Point Improvement Project Area Redevelopment Capital Projects Fund and the Community Improvement Commission, Business and Waterfront Improvement Project Area Redevelopment Capital Projects Fund effectuating the requisite loans.

Exhibit:

1. Redevelopment Fund SERAF Calculations

		TOTAL AUDITED CASH	LESS OBLIGATIONS	NET CASH AVAILABLE	FY 2009-10 CASH BUDGET SOURCES	EXPENDITURES	PROJECTED NET CASH AVAILABLE 6/30/10
FUND	CIC PROJECT AREAS	6/30/09	6/30/09	7/1/09	REVENUE	EXPENDITURES	6/30/10
	<b>APIP</b>						
205	Redevelopment	0	(34,736)	(34,736)	196,150	(129,949)	31,465
206	Low/Mod Housing Set Aside	334,169	(4,932)	329,237	51,540	(127,023)	253,754
	<b>APIP Total</b>	<b>334,169</b>	<b>(39,668)</b>	<b>294,501</b>	<b>247,690</b>	<b>(256,972)</b>	<b>285,219</b>
	<b>BWIP</b>						
203	BWIP Redevelopment Original	6,453,502	(1,606,798)	4,846,704	7,897,321	(10,699,495)	2,044,530
256.1	FISC Redevelopment Bayport	2,588,549	(70,043)	2,518,506	2,663,102	(3,239,694)	1,941,914
	<b>BWIP Redevelopment</b>	<b>9,042,051</b>	<b>(1,676,841)</b>	<b>7,365,210</b>	<b>10,560,423</b>		<b>3,986,444</b>
204	Low/Mod Housing Set Aside	3,250,423	(44,966)	3,205,457	1,906,980	(1,088,005)	4,024,432
	<b>BWIP Total</b>	<b>12,292,474</b>	<b>(1,721,807)</b>	<b>10,570,667</b>	<b>12,467,403</b>	<b>(1,088,005)</b>	<b>8,010,876</b>
	<b>WECIP</b>						
201	Redevelopment	2,390,528	(149,458)	2,241,070	4,709,200	(3,905,387)	3,044,883
202	Low/Mod Housing Set Aside	249,480	(3,829)	245,651	990,800	(1,157,774)	78,677
	<b>WECIP Total</b>	<b>2,640,008</b>	<b>(153,287)</b>	<b>2,486,721</b>	<b>5,700,000</b>	<b>(5,063,161)</b>	<b>3,123,560</b>
	<b>CIC Totals</b>	<b>15,266,651</b>	<b>(1,914,762)</b>	<b>13,351,889</b>	<b>18,415,093</b>	<b>(6,408,138)</b>	<b>11,419,655</b>

[illegible]

### FY 09-10 APIP PROJECTED CASH BASIS

Community Improvement Commission MID YEAR BUDGET PROJECTION CASH BASIS						
Alameda Point Improvement Project	Fund 205 APIP		Fund 206 APIP		Total CIC APIP	
Fiscal Year 09-10 Description	Redevelopment Projects and Administration	%	20% Set Aside Low/Moderate Housing	%	FY 09-10	%
<b>SOURCES</b>						
Tax Increment	196,150	100%	49,040	95%	245,190	99%
Interest Income		0.0%	2,500	5%	2,500	1%
<b>Total Revenue</b>	<b>196,150</b>	<b>100%</b>	<b>51,540</b>	<b>100%</b>	<b>247,690</b>	<b>100%</b>
<b>Total Contributions from Other Funds</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Total Sources</b>	<b>196,150</b>	<b>100%</b>	<b>51,540</b>	<b>100%</b>	<b>247,690</b>	<b>100%</b>
<b>USES</b>						
<b>Tax Increment Pass Through Obligation:</b>						
Pass Through	41,000	32%			41,000	16%
County Tax Increment Administration Fee	500	0%	500	0%	1,000	0%
<b>Total Tax Increment Pass Through Obligation</b>	<b>41,500</b>	<b>32%</b>	<b>500</b>	<b>0%</b>	<b>42,000</b>	<b>16%</b>
<b>ERAF and SERAF Obligation:</b>						
SERAF FY 09-10 Budget					0	
SERAF Assessed and Due in FY 10-11					0	
<b>SERAF Obligation</b>	<b>0</b>	<b>0%</b>	<b>0</b>		<b>0</b>	<b>0%</b>
ERAF per State Controller	12,300	9%			12,300	5%
<b>ERAF and SERAF Obligation</b>	<b>12,300</b>	<b>9%</b>	<b>0</b>	<b>0%</b>	<b>12,300</b>	<b>5%</b>
<b>Debt Service Obligation:</b>						
Principal General Fund Advance					0	
Interest General Fund Advance	26,720	21%			26,720	10%
<b>Total Debt Service Obligation</b>	<b>26,720</b>	<b>21%</b>	<b>0</b>	<b>0%</b>	<b>26,720</b>	<b>10%</b>
<b>Project Area Obligation:</b>						
<b>Total Project Area Obligation</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Project Area Development:</b>						
Funds to Operation Dignity Housing			100,000	79%	100,000	39%
Construct Bayport Shinsei Gardens (Operation Dignity)					0	
<b>Total Project Area Development</b>	<b>0</b>	<b>0%</b>	<b>100,000</b>	<b>79%</b>	<b>100,000</b>	<b>39%</b>
<b>Total Project Area Obligation and Development</b>	<b>0</b>	<b>0%</b>	<b>100,000</b>	<b>79%</b>	<b>100,000</b>	<b>39%</b>
<b>City Fixed Charges and Project Administration Obligation:</b>						
City Cost Allocation	22,970	18%	6,890	5%	29,860	12%
City Fixed Charges	1,300	1%	2,080	2%	3,380	1%
APIP Administration	25,159	19%	17,553	14%	42,712	17%
<b>Total City Overhead and Administration</b>	<b>49,429</b>	<b>38%</b>	<b>26,523</b>	<b>21%</b>	<b>75,952</b>	<b>30%</b>
<b>Total Uses</b>	<b>129,949</b>	<b>100%</b>	<b>127,023</b>	<b>100%</b>	<b>256,972</b>	<b>100%</b>
<b>USES (OVER) SOURCES BEFORE SERAF</b>	<b>66,201</b>		<b>(75,483)</b>		<b>(9,282)</b>	
TOTAL AUDITED CASH 6/30/09	0		334,169		334,169	
Less Obligations Paid After 6/30/09	(34,736)		(960)		(35,696)	
Less GASB 31 FMV Cash	0		(3,972)		(3,972)	
<b>AVAILABLE FUNDS FOR SERAF</b>	<b>31,465</b>		<b>253,754</b>		<b>285,219</b>	

Data Source: City of Alameda

**FY 09-10 BWIP PROJECTED CASH BASIS**

Community Improvement Commission MID YEAR BUDGET PROJECTION CASH BASIS		Fund 203 BWIP		Fund 204 BWIP		Total CIC BWIP	
Business and Waterfront Improvement Project		Redevelopment Projects and Administration		20% Set Aside Low/Moderate Housing		FY 09-10	
Fiscal Year 9-10 Description							
		%		%		%	
SOURCES							
Tax Increment	7,584,040	96%	1,888,480	99%	9,472,520	97%	
Caltrans Grant for Prior Year Park Streetscape CIP Cost	121,217	2%		0%	121,217	1%	
Interest Income	27,500	0%	18,500	1%	46,000	0%	
Miscellaneous Income	150	0%		0%	150	0%	
Total Revenue	7,732,907	98%	1,906,980	100%	9,639,887	98%	
Funding from Theater/Parking Project Fund 227.1	164,414	2%			164,414	2%	
Total Contributions from Other Funds	164,414	2%	0	0%	164,414	2%	
Total Sources	7,897,321	100%	1,906,980	100%	9,804,301	100%	
USES							
Tax Increment Pass Through Obligation:							
Pass Through	2,164,500	20%			2,164,500	18%	
County Tax Increment Administration Fee	21,000	0%	19,990	2%	40,990	0%	
Total Tax Increment Pass Through Obligation	2,185,500	20%	19,990	2%	2,205,490	19%	
ERAF and SERAF Obligation:							
SERAF FY 09-10 Budget					0		
SERAF Assessed and Due in FY 10-11					0		
SERAF Obligation	0	0%	0		0	0%	
ERAF FY 09-10 Budget	200,000	2%			200,000	2%	
ERAF and SERAF Obligation	200,000	2%	0	0%	200,000	2%	
Debt Service Obligation:							
Principal and Interst ERAF Loan	47,770	0%			47,770	0%	
Principal and Interest 2002 CIC Subordinate Bond	848,770	8%			848,770	7%	
Principal and Interest 2003 TA Refunding Bond	198,240	2%	206,000	19%	404,240	3%	
Fiscal Agent Fees	3,300				3,300	0%	
Total Debt Service Obligation	1,098,080	10%	206,000	19%	1,304,080	11%	
Project Area Obligation:							
Bridgeside Shopping Center Agreement	121,000	1%			121,000	1%	
Redevelopment Policy Amendment	25,000	0%			25,000	0%	
Grant to PSBA	111,450	1%			111,450	1%	
Grant to WABA	101,150	1%			101,150	1%	
Transfer Net Tax Increment to Bayport FISC Catellus	2,298,000	21%			2,298,000	20%	
Total Project Area Obligation	2,656,600	25%	0	0%	2,656,600	23%	
Project Area Development:							
AEA Theater/Parking Project	100,000	1%			100,000	1%	
Park and Buena Vista Electrical Upgrade	292,090	3%			292,090	2%	
Match CIP Tinker Extension Project from Sewer Loan	2,948,753	28%			2,948,753	25%	
Housing Project Development			745,000	68%	745,000	6%	
Total Project Area Development	3,340,843	31%	745,000	68%	4,085,843	35%	
City Overhead and Project Administration Obligation:							
City Cost Allocation	247,470	2%	24,340	2%	271,810	2%	
City Fixed Charges	37,410	0%	28,130	3%	65,540	1%	
BWIP Administration	933,592	9%	64,545	6%	998,137	8%	
Total Administration	1,218,472	11%	117,015	11%	1,335,487	11%	
Total Uses	10,699,495	100%	1,088,005	100%	11,787,500	100%	
USES (OVER) UNDER SOURCES	(2,802,174)		818,975		(1,983,199)		
TOTAL AUDITED CASH 6/30/09	6,453,502		3,250,423		9,703,925		
Less Obligations Paid After 6/30/09	(1,528,951)		(5,964)		(1,534,915)		
Less GASB 31 FMV Cash	(77,847)		(39,002)		(116,849)		
AVAILABLE FUNDS FOR SERAF	2,044,530		4,024,432		6,068,962		
Data Source: City of Alameda							

**FY 09-10 PROJECTED FISC BAYPORT CASH BASIS**

<b>Community Improvement Commission</b>		
<b>Fleet Industrial Service Center FISC</b>		
<b>MID YEAR BUDGET PROJECTION</b>	<b>Fund 256.1</b>	
<b>CASH BASIS</b>		
<b>Bayport Catellus Phase 1 Residential Development</b>	<b>Redevelopment</b>	
<b>Fiscal Year 09-10</b>	<b>Projects and</b>	
<b>Description</b>	<b>Administration</b>	<b>%</b>
<b>SOURCES</b>		
Tax Increment		
Catellus Bayport Reimbursement	345,102	13%
Interest Income	20,000	1%
<b>Total Revenue</b>	<b>365,102</b>	<b>14%</b>
Net Tax Increment from BWIP	2,298,000	86%
<b>Total Contributions from Other Funds</b>	<b>2,298,000</b>	<b>86%</b>
<b>Total Sources</b>	<b>2,663,102</b>	<b>100%</b>
<b>USES</b>		
<b>Tax Increment Pass Through Obligation:</b>		
Pass Through		
County Administration Fee		
<b>Total Tax Increment Pass Through Obligation</b>	<b>0</b>	<b>0%</b>
<b>ERAF and SERAF Obligation:</b>		
ERAF per State Controller		
SERAF		
<b>ERAF and SERAF Obligation</b>	<b>0</b>	<b>0%</b>
<b>Debt Service Obligation:</b>		
Principal and Interest 2003 TA Refunding Bonds	854,090	26%
Principal and Interest Catellus Pre-development Loan	325,252	10%
<b>Total Debt Service Obligation</b>	<b>1,179,342</b>	<b>36%</b>
<b>Project Area Obligation:</b>		
<b>Total Project Area Obligation</b>	<b>0</b>	<b>0%</b>
<b>Project Area Development:</b>		
Bayport Park Construction	2,055,430	
<b>Total Project Area Development</b>	<b>2,055,430</b>	<b>63%</b>
<b>City Fixed Charges and Project Administration Obligation:</b>		
City Cost Allocation		
City Fixed Charges	7,690	
FISC Administration	(2,768)	
<b>Total City Fixed Charge and Administration</b>	<b>4,922</b>	<b>0%</b>
<b>Total Uses</b>	<b>3,239,694</b>	<b>100%</b>
<b>USES (OVER) SOURCES</b>	<b>(576,592)</b>	
<b>TOTAL AUDITED CASH 6/30/09</b>	<b>2,588,549</b>	
Less Obligations Paid After 6/30/09	(38,613)	
Less GASB 31 FMV Cash	(31,430)	
<b>AVAILABLE FUNDS FOR SERAF</b>	<b>1,941,914</b>	
<b>Catellus Pre-development Loan Balance 12/31/09</b>	<b>\$ 7,336,282.41</b>	
<b>Interest compounded monthly at 8.75%</b>		
<i>Data Source: City of Alameda</i>		

### FY 09-10 WECIP PROJECTED CASH BASIS

<b>Community Improvement Commission</b>						
<b>MID YEAR BUDGET PROJECTION</b>	<i>Fund 201</i>		<i>Fund 202</i>			
<b>CASH BASIS</b>	<b>WECIP</b>		<b>WECIP</b>		<i>Total</i>	
<b>West End Community Improvement Project</b>	<b>Redevelopment</b>		<b>20% Set Aside</b>		<b>CIC</b>	
<b>Fiscal Year 09-10</b>	<b>Projects and</b>		<b>Low/Moderate</b>		<b>WECIP</b>	
<b>Description</b>	<b>Administration</b>	<b>%</b>	<b>Housing</b>	<b>%</b>	<b>FY 09-10</b>	<b>%</b>
<b>SOURCES</b>						
Tax Increment	3,955,200	84%	988,800	100%	4,944,000	87%
Interest Income	12,000	0%	2,000	0%	14,000	0%
<b>Total Revenue</b>	<b>3,967,200</b>	<b>84%</b>	<b>990,800</b>	<b>100%</b>	<b>4,958,000</b>	<b>87%</b>
03 Bonds Merged Tax Allocation Marina Village OPA Escrow	742,000				742,000	
<b>Total Contributions from Other Funds</b>	<b>742,000</b>	<b>16%</b>	<b>0</b>	<b>0%</b>	<b>742,000</b>	<b>13%</b>
<b>Total Sources</b>	<b>4,709,200</b>	<b>100%</b>	<b>990,800</b>	<b>100%</b>	<b>5,700,000</b>	<b>100%</b>
<b>USES</b>						
<b>Tax Increment Pass Through Obligation:</b>						
Pass Through	1,008,998	25%			1,008,998	19%
County Tax Increment Administration Fee	31,000	1%	7,700	1%	38,700	1%
<b>Total Tax Increment Pass Through Obligation</b>	<b>1,039,998</b>	<b>26%</b>	<b>7,700</b>	<b>1%</b>	<b>1,047,698</b>	<b>20%</b>
<b>ERAF and SERAF Obligation:</b>						
SERAf					0	
<b>SERAf Obligation</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
ERAF per State Controller	12,300	0%			12,300	0%
<b>ERAF and SERAF Obligation</b>	<b>12,300</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>12,300</b>	<b>0%</b>
<b>Debt Service Obligation:</b>						
Principal and Interest Wells Fargo ERAf Loan	47,770	1%			47,770	1%
Principal and Interest Payment to 2003 CIC TA Bonds	1,855,679	46%			1,855,679	36%
Principal and Interest Payment to 2002 CIC Subordinate Bonds			238,060	21%	238,060	5%
Fiscal Agent Fees	2,250	0%	2,250	0%	4,500	0%
<b>Total Debt Service Obligation</b>	<b>1,905,699</b>	<b>47%</b>	<b>240,310</b>	<b>21%</b>	<b>2,146,009</b>	<b>41%</b>
<b>Project Area Obligation:</b>						
Alameda Chamber of Commerce Marketing Grant	50,000	1%			50,000	1%
Economic Development Strategic Plan	30,000	1%			30,000	1%
GABA Grant	18,000	0%			18,000	0%
KOKA OPA/Master Lease	100,000	2%			100,000	2%
Special Events	6,000	0%			6,000	0%
Strategic Plan and Other Professional Services	100,000	2%			100,000	2%
<b>Total Project Area Obligation</b>	<b>304,000</b>	<b>8%</b>	<b>0</b>	<b>0%</b>	<b>304,000</b>	<b>6%</b>
<b>Project Area Development:</b>						
Housing Project Development			125,000	11%	125,000	2%
Subsidy for Independence Plaza Senior Housing			714,000	62%	714,000	14%
<b>Total Project Area Development</b>	<b>0</b>	<b>0%</b>	<b>839,000</b>	<b>72%</b>	<b>839,000</b>	<b>16%</b>
<b>Total Project Area Obligation and Development</b>	<b>304,000</b>	<b>8%</b>	<b>839,000</b>	<b>72%</b>	<b>1,143,000</b>	<b>22%</b>
<b>City Fixed Charges and Project Administration Obligation:</b>						
City Cost Allocation	227,130	6%	40,760	4%	267,890	5%
City Fixed Charges	34,100	0.9%	12,190	1%	46,290	1%
WECIP Administration	502,870	12%	17,814	2%	520,684	10%
<b>Total City Charges and Administration</b>	<b>764,100</b>	<b>19%</b>	<b>70,764</b>	<b>6%</b>	<b>834,864</b>	<b>16%</b>
<b>Total Uses</b>	<b>4,026,097</b>	<b>100%</b>	<b>1,157,774</b>	<b>100%</b>	<b>5,183,871</b>	<b>100%</b>
<b>USES (OVER) UNDER SOURCES</b>	<b>683,103</b>		<b>(166,974)</b>		<b>516,129</b>	
TOTAL AUDITED CASH 6/30/09	2,390,528		249,480		2,640,008	
Less Obligations Paid After 6/30/09			(760)		(760)	
Less GASB 31 FMV CASH	(28,748)		(3,069)		(31,817)	
<b>AVAILABLE FUNDS FOR SERAF</b>	<b>3,044,883</b>		<b>78,677</b>		<b>3,123,560</b>	
Data Source: City of Alameda						

*Data Source: City of Alameda*



COMMUNITY IMPROVEMENT COMMISSION  
RESOLUTION NO. \_\_\_\_\_

Approved as to Form

General Counsel

AUTHORIZING THE PAYMENT OF \$4,431,444 IN FY09-10 AND \$912,356 IN FY 10-11 TO THE STATE OF CALIFORNIA; APPROVING THE USE OF BUSINESS AND WATERFRONT IMPROVEMENT PROJECT LOW- AND MODERATE-INCOME HOUSING FUNDS FOR THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND PAYMENT TO THE STATE OF CALIFORNIA FOR FY09-10 AND FY10-11; AND APPROVING THE PROMISSORY NOTES BETWEEN THE COMMUNITY IMPROVEMENT COMMISSION, BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA LOW- AND MODERATE-INCOME HOUSING FUND AND THE COMMUNITY IMPROVEMENT COMMISSION ALAMEDA POINT IMPROVEMENT PROJECT AREA REDEVELOPMENT CAPITAL PROJECTS FUND AND THE COMMUNITY IMPROVEMENT COMMISSION, BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA REDEVELOPMENT CAPITAL PROJECTS FUND EFFECTUATING THE REQUISITE LOANS

WHEREAS, the California State Legislature recently enacted ABX4-26, which, among other things, added Sections 33690 and 33690.5 to the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requiring redevelopment agencies to make certain payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and 2010-2011; and

WHEREAS, the Community Improvement Commission of the City of Alameda ("Commission") has been notified that its payment to the Alameda County SERAF for FY09-10 will be \$4,431,444, which payment would be required to be made by May 10, 2010; and

WHEREAS, the Commission has been notified that its payment to the Alameda County SERAF for FY10-11 will be \$912,356, which payment would be required to be made prior to the end of FY10-11; and

WHEREAS, Health and Safety Code Section 33690(c) provides that if a redevelopment agency is unable to make its full SERAF payment for FY09-10 or FY10-11, the agency may borrow from either the amount required to be allocated to the agency's Low- and Moderate-Income Housing Fund for that fiscal year, or any moneys in that fund, or both, in order to make the full SERAF payment; and

WHEREAS, as a condition of borrowing from the Low- and Moderate-Income Housing Fund, the agency must make a finding that there are insufficient other moneys to make the required payment; and

WHEREAS, Health and Safety Code Section 33690(d) requires that by March 1, 2010, the City Council shall report to the County Auditor as to how the agency intends to fund the SERAF payment.

NOW, THEREFORE, THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Commission hereby finds that it does not have sufficient unencumbered funds to make the required SERAF payment for FY09-10 and FY10-11. The revenue to be received by the Commission in FY09-10 and FY10-11 is required for the payment of Commission debt service, Commission administration, and existing programs and projects and is not available to make the SERAF payment. This finding is supported by the information and documents provided by staff to the Commission.

Section 2. The Commission hereby authorizes a loan of \$555,465 (the "LMIHF Loan") from the Business and Waterfront Improvement Project Low- and Moderate-Income Housing Fund to the Alameda Point Improvement Project Redevelopment Capital Projects Fund for the sole purpose of making the SERAF payments for FY09-10 and FY10-11. The LMIHF Loan will accrue interest at an annual rate of 6%, and the Commission shall repay the LMIHF Loan to the Low- and Moderate-Income Housing Fund on or before June 30, 2015 (Exhibit 1). The LMIHF Loan shall not be made until such time as the Commission is required to pay the SERAF Payment into the Alameda County SERAF.

Section 3. The Commission hereby authorizes a total loan of \$253,316 (the "LMIHF Loan") from the Business and Waterfront Improvement Project Low- and Moderate-Income Housing Fund to the Business and Waterfront Improvement Project Area Redevelopment Capital Projects Fund for the sole purpose of making the SERAF payment for FY10-11. The LMIHF Loan will accrue interest at an annual rate of 6%, and the Commission shall repay the LMIHF Loan to the Low- and Moderate-Income Housing Fund on or before June 30, 2015 (Exhibit 2).

Section 4. The Commission requests that the City Council report to the Alameda County Auditor that the Commission intends to fund a portion of the SERAF payment from the LMIHF Loan.

\* \* \* \* \*

## COMMUNITY IMPROVEMENT COMMISSION

### BUSINESS AND WATERFRONT IMPROVEMENT PROJECT LOW AND MODERATE HOUSING FUND

#### PROMISSORY NOTE

\$555,465.00

March 3, 2010

FOR VALUE RECEIVED, the undersigned, Community Improvement Commission, Alameda Point Improvement Project Area Redevelopment Capital Projects Fund, (the "**Maker**"), hereby promises to pay to the order of the Community Improvement Commission, Business and Waterfront Improvement Project Low and Moderate Income Housing Fund, (the "**Holder**"), the principal sum of FIVE HUNDRED AND FIFTY FIVE THOUSAND FOUR HUNDRED AND SIXTY FIVE DOLLARS (\$555,465.00), (the "**Loan**"), as set forth herein below. All sums payable hereunder shall be payable in lawful money of the United States of America.

1. Repayment – The Loan shall be repaid IN COMPLIANCE WITH the California State Legislature enacted ABX4-26, which, added Sections 33690 and 33690.05 to the Community Redevelopment Law requiring redevelopment agencies to make payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and in 2010-2011 as follows:

(a) Health and Safety Code Section 33690(c) provides that if a redevelopment agency is unable to make its full SERAF payment for FY 2009-2010, the agency may borrow from the agency's Low and Moderate Income fund, after making a finding that there are insufficient other moneys to make the required SERAF payment; and

(b) At the January 26, 2010 Special Joint Meeting of the City Council and the Community Improvement Commission, the proposed two year SERAF payment plan was approved by the Community Improvement Commission; and

(c) The authorized loan of \$555,465 is for making the SERAF payment for fiscal years 2009-2010 and in 2010-2011 and shall accrue interest at the rate of six percent (6%) per annum from the date of this Note until payment in full on or before June 30, 2015; and

(d) Maker shall pay monthly installments of interest to Holder beginning on April 1, 2010 and continuing on the 1<sup>st</sup> day of each month thereafter, until the principal of \$555,465 is paid in full on or before June 30, 2015.

2. Prepayment Maker may prepay all or any part of the outstanding balance of this Promissory Note at any time, without penalty. Within thirty (30) days following such repayment, in full, Holder shall return this Promissory Note to Maker marked "cancelled."

3. Amendments and Modifications – This Promissory Note may not be changed orally, and may be amended only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or dispute is sought.

5. Governing Law – This Promissory Note shall be construed and enforced in accordance with the laws of the State of California, without reference to its choice of laws provisions.

6. Severability – If any provision of this Promissory Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

March 3, 2010

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By: Community Improvement Commission  
Business and Waterfront Improvement  
Project Low and Moderate Income Housing  
Fund

Name: Ann Marie Gallant  
Its: Interim Executive Director

"HOLDER"

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By: Community Improvement Commission  
Alameda Point Improvement Project Area  
Redevelopment Capital Projects Fund

Name: Ann Marie Gallant  
Its: Interim Executive Director

"MAKER"

**COMMUNITY IMPROVEMENT COMMISSION**  
**BUSINESS AND WATERFRONT IMPROVEMENT PROJECT LOW AND**  
**MODERATE HOUSING FUND**

**PROMISSORY NOTE**

\$253,316.00

March 3, 2010

FOR VALUE RECEIVED, the undersigned, Community Improvement Commission, Business and Waterfront Improvement Project Area Redevelopment Capital Projects Fund, (the "**Maker**"), hereby promises to pay to the order of the Community Improvement Commission, Business and Waterfront Improvement Project Area Low and Moderate Income Housing Fund, (the "**Holder**"), the principal sum of TWO HUNDRED AND FIFTY THREE THOUSAND THREE HUNDRED AND SIXTEEN DOLLARS (\$253,316.00), (the "**Loan**"), as set forth herein below. All sums payable hereunder shall be payable in lawful money of the United States of America.

1. Repayment – The Loan shall be repaid IN COMPLIANCE WITH the California State Legislature enacted ABX4-26, which, added Sections 33690 and 33690.05 to the Community Redevelopment Law requiring redevelopment agencies to make payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and in 2010-2011 as follows:

(a) Health and Safety Code Section 33690(c) provides that if a redevelopment agency is unable to make its full SERAF payment for FY 2009-2010, the agency may borrow from the agency's Low and Moderate Income fund, after making a finding that there are insufficient other moneys to make the required SERAF payment; and

(b) At the January 26, 2010 Special Joint Meeting of the City Council and the Community Improvement Commission, the proposed two year SERAF payment plan was approved by the Community Improvement Commission; and

(c) The authorized loan of \$253,316 is for making the SERAF payment for fiscal years 2009-2010 and in 2010-2011 and shall accrue interest at the rate of six percent (6%) per annum from the date of this Note untill payment in full on or before June 30, 2015; and

(d) Maker shall pay monthly installments of interest to Holder beginning on April 1, 2010 and continuing on the 1<sup>st</sup> day of each month thereafter, untill the principal of \$253,316 is paid in full on or before June 30, 2015.

2. Prepayment Maker may prepay all or any part of the outstanding balance of this Promissory Note at any time, without penalty. Within thirty (30) days following such repayment, in full, Holder shall return this Promissory Note to Maker marked "cancelled."

3. Amendments and Modifications – This Promissory Note may not be changed orally, and may be amended only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or dispute is sought.

5. Governing Law – This Promissory Note shall be construed and enforced in accordance with the laws of the State of California, without reference to its choice of laws provisions.

6. Severability – If any provision of this Promissory Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

March 3, 2010

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By: Community Improvement Commission  
Business and Waterfront Improvement  
Project Low and Moderate Income Housing  
Fund

Name: Ann Marie Gallant  
Its: Interim Executive Director

"HOLDER"

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By: Community Improvement Commission  
Business and Waterfront Improvement  
Project Area Redevelopment Capital Projects  
Fund

Name: Ann Marie Gallant  
Its: Interim Executive Director

"MAKER"

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Community Improvement Commission of the City of Alameda in a Special Community Improvement Commission meeting assembled on the 3<sup>rd</sup> day of March, 2010, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said Commission this 4<sup>th</sup> day of March, 2010.

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Lara Weisiger, Secretary  
Community Improvement Commission

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Beverly Johnson, Chair  
Community Improvement Commission